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# THE OCCUPATIONAL DISTRIBUTION OF THE LABOR SUPPLY

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Instead of reading a paper I shall submit a series of propositions for discussion. These propositions have been printed and are found in the leaflet which is distributed through the room. They are as follows:

## I.

A. One large factor in the bad distribution of wealth is the bad distribution of men among the different occupations, too many crowding into the unskilled and too few going into the skilled and the learned occupations.

B. Children born of parents who have not been able to rise out of the poorly paid occupations are themselves less likely, *on the average*, to rise out of these occupations than are the children of parents who have risen into the more highly skilled and better paid occupations.

C. Therefore it would help matters if the birth rate could be reduced among those who remain in the overcrowded, underpaid, and unskilled occupations.

## II.

So long as immigrants enter the ranks, particularly the lower ranks, of labor<sup>1</sup> in larger proportions, and the ranks of the business and professional classes in smaller proportions than the native born, continuous immigration will produce the following results:

A. As to Distribution. It will keep competition more intense among laborers, particularly in the lower ranks, and less intense among business and professional men, than it otherwise would be. This will tend to increase the incomes of the employing classes, and to depress wages, particularly the wages of the lower grades of labor.

B. As to Production. It will give a relatively low marginal productivity to a typical immigrant, particularly in the lower

<sup>1</sup> Cf. Commons, *Races and Immigrants in America*. Table between pages 108 and 109.

grades of labor, and make him a relatively unimportant factor in the production of wealth—a few more or a few less will make relatively little difference in the total production of national wealth.<sup>2</sup>

C. As to Organization of Industry. Because of their low individual productivity, they can only be economically employed at low wages *and in large gangs*.<sup>3</sup>

D. As to Agriculture. If immigrants go in large numbers into agriculture, it will lead to one or the other of the following results, *in all probability the latter*:

1. The continuous *morcellement* or subdivision of farms, resulting in an inefficient and wasteful application of labor, and smaller crops per man, though probably larger crops per acre; or

2. The development of a class of landed proprietors on the one hand, and a landless agricultural proletariat on the other.<sup>4</sup>

<sup>2</sup> A disproportionately large supply of one grade of labor as compared with the supply of other grades of labor with which it has to be combined in production, tends to make each laborer in that grade an unimportant factor in production, so that one laborer more in that grade adds very little to, and one laborer less subtracts very little from, the total quantity which can be produced. By way of illustration, charcoal, sulphur, and saltpetre have to be mixed in the production of gun powder. The proportions may vary within rather narrow limits. Suppose that there is more charcoal than can be satisfactorily combined with the existing supply of sulphur and saltpetre. No matter how much demand for gunpowder there may be, no more can be made than the scarcer factors will permit. However excellent the charcoal may be, it cannot all be used advantageously. Under such conditions, one pound of charcoal more or less will have very little influence on the total production of gunpowder.

The different factors of production, including the various kinds of human ability, have to be combined in production. The proportions may vary within somewhat wider limits than can the ingredients in the manufacture of gunpowder, but the principle is the same.

<sup>3</sup> Just as scarce labor and abundant land lead inevitably to extensive farming where a small quantity of the scarce factor, labor, is combined with a large quantity of the abundant factor, land, so a relatively small supply of managing ability and a relatively large supply of the kind of labor which must be superintended leads inevitably to a combination of a small quantity of the scarce form with a large quantity of the abundant form, *i. e.*, one superintendent, foreman, or boss, over a large gang. Again, just as in the former case there will be high wages and low rent, so in the latter case there will be high salaries and low wages.

<sup>4</sup> So long as labor is scare and dear, and land abundant and cheap, the way is easy from the position of farm laborer to that of farm owner, and many there be that find it; but when labor becomes abundant and cheap, and land scarce and dear, the way becomes hard, and few there will be who will find it.

## III.

If there are large numbers of immigrants belonging to races or nationalities which do not fuse with the rest of the population by free intermarriage, or with which the rest of the population will not intermarry freely, there will result one of the three following conditions:

1. Geographical separation of races; or
2. Social separation of races, *i e.*, in the formation of classes or castes; one race or the other becoming subordinate; or
3. Continual race antagonism, frequently breaking out into race war.